

Internal Revenue Service  
P.O. Box 2508  
Cincinnati, OH 45201

Department of the Treasury

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Employer Identification Number:

Contact Person - ID Number:

Contact Telephone Number:

LEGEND

UIL 4945.04-04

Y= Name of Scholarship  
W=Name of Trust  
M=State  
x= \$  
y= \$  
z= \$  
u= \$  
w=\$  
p= \$  
v= Number of Residents

Dear :

We have considered your request for advance approval of your grant-making program under section 4945(g)(1) of the Internal Revenue Code, dated June 21, 2011.

Our records indicate that you were recognized as exempt from federal income tax under section 501(c)(3) of the Code and that you are classified as a private foundation as defined in section 509(a).

Your letter indicates that you will operate a grant-making program called Y that will be awarding scholarships to students who are residents of an "Eligible County" in an "Eligible State" listed on New Schedule A to your Trust document and graduating from public high schools located in Eligible counties which are rural counties having fewer than v residents as determined by the U.S. Census Bureau and who will require financial assistance to attend college. Exhibit A to your Trust document indicates the Eligible state as M.

Each scholarship awarded under this trust shall be in an amount sufficient to pay the unmet financial need of the recipient up to z. The unmet financial need of the recipient shall be determined by totaling Tuition and Fees plus x dollars for Books and Supplies plus y dollars for Room and Board and x dollars for Personal Expenses then deducting the amount of grants (excluding work study grants), waivers and scholarships obtained by or awarded to the recipient and by the amount of the recipient's "Expected Family Contribution" as determined by the "Free Application for Federal Student Aid".

The dollar amount of each scholarship to be awarded shall be determined by your Trustee and Executive Director and shall be subject to subsequent revision pursuant to the terms of this Trust subject to the approval of the trustee of W.

Eligibility requirements are as follows:

Each Applicant must be recommended by a "qualified educator" affiliated with the high school attended by the applicant who must provide a letter of recommendation which states that he educator believes that the applicant meets the minimum Award Criteria specified in the trust agreement. A "qualified educator" is either a teacher who taught the applicant in high school or the high school counselor or the high school principal.

All scholarships shall be awarded only to recipients who are selected by your Grant Committee. Until the Grantor's death or incompetency, each recipient must be a resident of an "Eligible County" located in an "Eligible State" .

After the Grantor's death or incompetency, each recipient must be a resident of an "Eligible County" located in any state in the United States. The trustee shall publish on your website a listing of all eligible counties in each state. When each new U.S. Census Bureau population survey is published, the list of eligible counties will be updated by the Trustee and subject to the approval of the trustee of W.

Each recipient must be a citizen of the United States. The recipients must have attended during their junior and senior years and must graduate from a public high school located in an eligible county.

They must have a cumulative grade point average of 3.5 or higher.

They must score 24 (Composite Score) or higher on the ACT, or the equivalent score on any scholastic attainment in a high school which places the recipient in the top quartile of all the students taking such test and which test has been approved by your Trustee and the Trustee of W.

Each recipient must authenticate to the satisfaction of your Trustee a financial need of at least p Dollars in order to attend college.

Each recipient must apply for Federal and State entitlement grants (excluding work study grants), waivers and scholarships for which they are eligible, as well as any grants, waivers, or scholarships recommended by the Trustee.

Each recipient must be a motivated and high-achieving student who aspires to obtain a college education to better himself or herself and not to satisfy the desires of others.

Each first time recipient must be accepted for enrollment and must enroll at a four year or higher not-for-profit accredited college or university, public or private, located in any state in the United States for the fall semester immediately following recipient's high school graduation.

Each recipient must maintain an academic course load which will allow him or her to graduate from an eligible college or university in four years time.

Each recipient must maintain a 3.00 cumulative grade point average (or equivalent) and provide the Executive Director with a copy of his or her official transcript at the end of each academic semester. If a 3.00 cumulative grade point average is not maintained the scholarship is forfeited.

Scholarship recipients must declare an academic major prior to the commencement of their junior year of study.

They must live in dormitory housing provided by the college or university during their freshman year, unless waived by the Executive Director.

Each recipient must cooperate and participate in work shops and other activities sponsored by the Trust unless excused from doing so by the Executive Director.

Prior to the start of each academic year, each recipient must provide you with a balanced budget for the upcoming year certified by the recipient listing all the anticipated income, savings, grants, scholarships, and awards as well as all anticipated expenses, and all outstanding debts and assets.

At the end of each academic year, each recipient must provide you an annual report describing the accomplishments and progress made by the recipient towards those goals represented to the Grant Committee as a part of his or her application.

Each recipient must not have been convicted of a felony. Each recipient must act in a manner which consistent with the representations made by the recipient to the Grant Committee in applying for the scholarship.

Each recipient must sign a written agreement and waiver permitting the Trust to publicize in the recipient's local newspaper, local media, and on your website, the recipient's name, personal photo or likeness, personal achievements and biography to help publicize the scholarship.

Each applicant must include a properly executed all-inclusive liability waiver with the applicant's Application Submittal Package signed by the applicant. and the custodial parent(s) and notarized.

The State Department of Elementary and Secondary Education through an e-mail announced the establishment of the scholarship and mailings were made to the counselors in each and every public high school in each and every eligible county. After the Grantor's death or incompetency, during the third week of August of each year, the Trustee shall mail a one page informative letter about the scholarship along with a Brochure to the high school principals and high school counselors of all public schools in the United States located in eligible counties. The Trustee will also maintain your website to inform the general public about your scholarship.

Each Scholarship shall be awarded for one academic year consisting of two semesters, fall and winter and may be renewed yearly by the recipient at the discretion of the Grant Committee for up to three additional years or until the recipient graduates if sooner, the recipient continues to qualify for the scholarship. Each scholarship shall be renewable by the recipient for up to three additional years if the recipient fulfills the conditions for renewal of the scholarship. Prior to renewal of the scholarship, each recipient must convince the grant committee that he or she is making notable progress towards those goals represented when the scholarship was first awarded. The amount of the renewed scholarship shall be determined in the same manner of as the first scholarship. The maximum dollar amount of a renewed scholarship shall be limited to and shall not exceed the dollar amount of the first scholarship awarded to the recipient. Recipients who successfully renew their scholarships shall be eligible for an international study grant.

Each recipient must personally contribute toward the cost of his or her education by working a minimum of Two Hundred Forty hours prior to the start of each subsequent academic year. They may work as an intern in their area of academic interest or study or may volunteer to work for a recognized exempt charitable organization with the hours worked being credited toward the work requirement subject to the prior approval of the Executive Director. Confirmation of the employment or volunteer activity shall be provided to the Executive Director and the Executive Director shall verify and evaluate such information, and shall provide such information to the Grant Committee prior to the Grant Committee considering a recipient's request to renew his or her scholarship.

Each scholarship may be reinstated if illness interrupts a recipient's ability to continue his or her college education and the interruption is for less than one year. In such event, the recipient may apply after recovery for reinstatement of the scholarship commencing the next school year. Reinstatement may also be allowed if a college or university closes for any part of a normal academic year and the recipient is unable to obtain satisfactory course instruction or grades. Any such reinstatement is evaluated upon its own merits and at the discretion of the Trustee and Executive Director, subject to approval of the trustee of the Trust.

Until the Grantor's death or incompetency, the Grantor shall have discretion to determine the process to be used to select applicants, interview applicants, select finalists, award scholarships, and other matters when administering the Trust, but always on an objective and non-discriminatory basis, regardless of said applicant's race creed, color, sexual orientation, religion, disability, or sex. The Grantor's right of discretion shall not pass on to a successor Trustee.

Until the Grantor's death or incompetency, the Grantor shall review all the applications to verify that they meet the eligibility requirements. After the applications have been reviewed, all the applications which meet the requirements are assigned to seven "readers". The "readers" review the applications and rank those into one of three categories being designated "1", "2", and "3". After they are ranked they are reviewed and the ones where there is an agreement that they are "3's" are deleted from consideration. For the applications where there is an agreement that they are "1's", they are considered finalists. Those that are ranked "2" are re-evaluated, and out of that group additional finalist are selected. The finalists are then personally interviewed by an "interview panel" and based on their evaluation the scholarships are awarded.

Finalists shall be evaluated based upon his or her character, academic ability, achievement in and out of school (work experience shall be given consideration in lieu of school or community activities), personal goals that are meaningful and substantive, and his or her future promise as shown to the grant Committee.

The "readers" must execute a "reader's agreement" to evaluate applications pursuant to the Readers Terms and Conditions and Reader Guidelines. "Readers" can not review applications from any school they are associated with or the applications associated with any applicants, parents, or educators known to the reader. The applications are ranked on the following criteria: Academic Ability; Leadership ability; Significant Employment or Volunteer Work; Future Promise; and Family Circumstance. The "interview panelists" must execute a "Panelist agreement" to serve as a panelist to interview and rank finalists pursuant to the Panelist Terms and Conditions and Panelist Guidelines. Finalists are ranked on the following criteria: Character; Achievement; Personal Goals; Plan to Achieve Goals; and Future Promise. The seven "readers" and the six members of the "interview panel" are diverse individuals with backgrounds in education or administration in the education field, or other community or government fields.

All scholarship awards shall be made by the Grant Committee. No scholarships may be awarded without the prior signature approval of a majority of the members of the Grant Committee. Relatives of the Grantor, Trustee, Executive Director, or to a person serving on the Grant Committee within the third degree of consanguinity are not eligible for the scholarships.

While the Grantor is acting as Trustee, the grant committee shall consist of the Grantor/Trustee and at least two other members selected by the grantor.

After the Grantor's the death or incompetency, The Trustee and Executive Director shall appoint a five member Screening Committee whose members shall be subject to prior approval of the Trustee of the trust. The Executive Director shall not be a member of the Screening Committee. The Trustee and Executive Director will review with all members

of the Screening Committee the Trust Articles and Schedule A prior to the start of the award process each year.

The Executive Director shall provide the Screening Committee with a copy of all approved applications submitted by eligible applicants, excluding financial information. The Screening Committee shall select and interview the most qualified applicants. The number of applicants interviewed shall be Four times the estimated number of scholarships to be awarded. The estimated number of scholarships will be determined by the Trustee and Executive Director based on prior years experience and the estimated amount of funding available for the new scholarships, funding of existing scholarships shall take precedence over the funding of new scholarships. The Screening Committee shall interview and evaluate each applicant's character, academic ability, achievement (work experience shall be given consideration in lieu of school or community activities), personal goals and future promise. After all interviews have been Completed, the Screening committee shall rank all applicants. The top ranked applicants shall be selected as finalists and the number of finalists selected shall be two times the estimated number of Scholarships to be awarded. Each finalist shall be notified by letter.

The Executive Director shall provide the Grant Committee with a complete informational package on each finalist, excluding financial information. Each finalist shall be evaluate based on his or her character, academic ability, achievement (work experience shall be given consideration in lieu of school or community activities), personal goals that are meaningful and substantive, and his or her future promise as shown to the Grant Committee. After all finalists are interviewed, they shall be ranked then with the assistance of the Trustee and Executive Director, the dollar amount of each scholarship shall be determined (the actual dollar amount of each scholarship awarded shall be subject to later revision pursuant to the terms of this Trust) and be awarded starting with finalist ranked number 1, then so on to the extent that budgeted funds permit or until one-half of the number of finalists interviewed have been awarded a scholarship whichever shall first occur. The Grant Committee shall not award more than one scholarship for every two finalists interviewed by the Grant Committee. Each recipient of a scholarship shall be promptly notified by certified mail return receipt requested or private courier.

A number of finalists not awarded a scholarship equal to one-third the number of finalists who are awarded a scholarship shall be selected as alternates with the next best finalist not awarded a scholarship being selected as the first alternate and so on. If a scholarship is awarded but not accepted by the recipient pursuant to the following procedures and the scholarship is subsequently withdrawn, the first scholarship withdrawn shall be offered to the first alternate and so on until all scholarships have been awarded or there are no more alternates.

Each recipient must acknowledge that he or she accepts the scholarship offered to him or her within fourteen calendar days following receipt of notification or within fourteen calendar days after such notification is sent by certified mail return receipt requested to the address of Applicant which ever shall first occur. The form must be signed by the recipient and the parents or legal guardians and all signatures must be notarized. The return envelope must be postmarked by the USPS no later than fourteen calendar days following delivery of the scholarship notification. Any scholarship not accepted by recipient in this manner shall be deemed rejected by the offeree and shall be immediately withdrawn by the Executive Director subject only to the approval of the Trustee and offered instead to the alternates as describe previously.

Each finalist that was identified as an alternate shall receive x dollar award to be used by the recipient to further his or her education. Each finalist interviewed by the grant Committee and not awarded a scholarship or selected as an alternate shall receive u dollars to be used by the recipient to further his or her education.

A confirmation of progress made towards completion of degree within 4 years time must be provided to the Executive Director at the end of each academic year. If the four year graduation schedule can not be maintained the recipient shall forfeit his or her scholarship, unless a hardship variance is obtained by the recipient from the Trustee and Executive Director and approved by the Trustee of W.

The award of scholarships for successive years of study shall be contingent upon the recipient continuing to be eligible in the sole opinion of the grant Committee. If the scholarship is no longer awarded to a recipient for a subsequent year because recipient no longer qualifies, the trust shall not award the forfeited scholarship to a substitute recipient. The funds appropriated for a forfeited scholarship shall be retained by the Trustee for use in fulfilling the purpose of the Trust.

A member serving on the Screening Committee shall not serve on the Grant Committee and a member serving on the Grant Committee shall not serve on the Screening Committee. The membership of the Grant Committee shall be determined by the Trustee and the Executive Director of the Foundation, subject to the approval of the Trustee of the W.

Each member of the Grant Committee must meet the Eligibility Criteria for Members of the Grant Committee. The Executive Director of the Trust shall not be a member of the Grant Committee.

The Trustee and Executive Director will review with all members of the Grant Committee the Trust Articles and Schedule A prior to the start of the award process each year. The Executive Director shall ensure that the criteria and procedures contained and adopted by the Grantor and incorporated in the Trust on Schedule A are followed in determining who will receive the scholarship.

Each member of the Grant Committee must have attained the age of Twenty-One years and have graduated from a college or university with an undergraduate degree equivalent to a Bachelor of Arts or Bachelor of Science degree. They must have graduated from a public high school, preferably located in an eligible county.

One member of the Grant Committee must be a high school principal or counselor who is or has been employed by an eligible high school. One member of the Grant Committee must be an upper level administrator who is or has been employed by an eligible college or university.

The remaining three members of the Grant Committee must be from fields of endeavor which do not involve educating students or the operation of an educational institution.

Each member of the Grant Committee must have distinguished himself or herself in either his or her professional or civic life, be a person of good moral character, and be interested in the advancement of knowledge and education of students who qualify for a scholarship. No member of the Grant Committee may have any economic incentive, direct or indirect, to award a scholarship to a recipient.

Each member of the Grant Committee must have experience in evaluating the potential and ability of individuals to distinguish themselves. A Grant Committee member may not participate in interviewing or determining whether or not to award a scholarship to a recipient who has attended an educational institution which employed that Grant Committee member within the prior four year period. In such event, three non-effected members of the Grant Committee must vote in favor of awarding the scholarship.

Members of the Grant Committee shall affirm to the Trustee and Executive Director, 1) said member's willingness to serve for the term appointed; 2) independence from

improper or undue influence by others; and 3) willingness to evaluate each applicant based upon the totality of the applicant's character, academic ability, achievement in and out of school and personal goals on an objective and non-discriminatory basis, regardless of said applicant's race creed, color, sexual orientation, religion, disability, or sex.

Each member of the Grant Committee shall be appointed for a term of three years, and may be reappointed to successive terms of three years each with the approval of the Trustee, Executive Director, and the Trustee of the Trust. The Trustee and Executive Director shall fill vacancies in any position on the Grant Committee that becomes vacant because of a member's death, disability, resignation, or because said member no longer meets the criteria for membership on the grant Committee, however such appointee shall be subject to the approval of the Trustee of the W.

A member of the Grant Committee may be removed by the Trustee and Executive Director, at any time, with or without cause with the approval of the trustee of the W. The Trustee and Executive Director may request removal of a member of the Grant Committee who either is not devoting sufficient time to his or her duties as a member of the grant Committee or he or she no longer meets the criteria for membership on the grant committee. The Trustee and Executive Director may appoint a replacement who meets the Grant Committee requirements and subject to the approval of the Trustee of the W. The replacement member shall serve for the remaining unexpired term of the removed member.

Members of the Grant Committee shall not be compensated. However the Executive Director shall reimburse all members of the Grant Committee for actual and reasonable expenses incurred traveling to and from the meetings of the Grant Committee, to and from interviews of prospective recipients, and while pursuing their duties as members of the Grant Committee, upon receipt of a statement for such expenses.

The Grant Committee shall not award scholarships or obligate the trust to award scholarships in excess of the amount of funds budgeted for such purposes each year by the Trustee and Executive Director, and In the event the Trust lacks funds to fully fund the scholarships awarded by the Grant Committee, funds shall be applied first to discharge the trust obligations to fourth year scholarships recipients, next to third year recipients, then second year recipients, and only after the foregoing scholarships have been funded shall the Executive Director disburse funds to award to first year recipients.

To the maximum extent possible, the Executive Director shall distribute the scholarship proceeds directly to the college or university attended by the scholarship recipient to be disbursed by the college or university in accordance with the guidelines provided by the Trust. To the maximum extent possible distributions payments shall be made at the beginning of each semester for which the scholarship recipient has enrolled.

Funds for room and board, if the recipient is not living in a college dormitory, shall be limited to w Dollars each semester and shall be paid directly to the recipient at the beginning of each semester. Each recipient must account for the expenditure of such funds at the end of each semester to the satisfaction of the Executive Director. Such funds shall be adjusted for any change in the Median Household Income for the State of Missouri, as hereafter published by the U. S. Census Bureau rounded up or down to the nearest hundred dollars.

Before funds are distributed for the first academic year, each recipient must provide the Executive Director a written four year degree plan which has been approved and certified to by the college counselor and Registrar certifying as to its feasibility and that if plan is followed it will lead to the award of a degree within a four year period of time. The recipient must certify that he or she approves of and agrees to follow the degree plan. Any changes in the plan must be promptly reported to the Executive Director and if

the change will prevent the recipient from graduating within the four year time the scholarship will be terminated. With prior approval of the Executive Director, the recipient may attend summer school to make up any deficiency and if by doing so the recipient can maintain a four year graduation schedule the scholarship may be continued upon presentation of a new degree plan approved and certified to by the college counselor and Registrar certifying as to its feasibility and that if revised plan is followed it will lead to the award of a degree within a four year period of time. All cost incurred to attend summer school shall be borne by the recipient.

The Executive Director, subject to Trustee approval, shall have the authority to approve or disapprove changes in the amount of a scholarship to be awarded due to a change in the recipient's circumstances. Each recipient shall be responsible for promptly notifying the Executive Director of any change or potential change which could result in a change in the basis upon which the original scholarship award was premised. Failure to provide notification may result in termination of the scholarship. Such changes which are required to be reported shall include but shall not be limited to: changes in direct academic costs, changes in four year degree plan, additional grants or scholarships awarded, indebtedness, and any other material change which would affect the recipient's continued eligibility for a Y.

The recipient must not incur indebtedness without the prior approval of the Executive Director. All debt incurred by the recipient without the prior approval of the Executive Director shall be deducted from the award amount of the scholarship and if the resulting scholarship amount is less than p Dollars the scholarship shall be immediately terminated. Indebtedness incurred by the recipient and not reported on the recipient's financial report submitted to the Executive Director shall result in the immediate termination of the scholarship.

The Trustee shall permanently retain at the office of the Trust all records that relate to the administration of the Trust and a backup of such records at a secure off site location.

Sections 4945(a) and (b) of the Code impose certain excise taxes on "taxable expenditures" made by a private foundation.

Section 4945(d)(3) of the Code provides that the term "taxable expenditure" means any amount paid or incurred by a private foundation as a grant to an individual for travel, study, or other similar purposes by such individual, unless such grant satisfies the requirements of subsection (g).

Section 4945(g) of the Code provides that section 4945(d)(3) shall not apply to individual grants awarded on an objective and nondiscriminatory basis pursuant to a procedure approved in advance if it is demonstrated that:

- (1) The grant constitutes a scholarship or fellowship grant which is subject to the provisions of section 117(a) and is to be used for study at an educational organization described in section 170(b)(1)(A)(ii);
- (2) The grant constitutes a prize or award which is subject to the provisions of section 74(b), if the recipient of such prize or award is selected from the general public, or
- (3) The purpose of the grant is to achieve a specific objective, produce a report or similar product, or improve or enhance a literary, artistic, musical, scientific, teaching, or other similar capacity, skill, or talent of the grantee.

Section 53.4945-4(c)(1) of the Regulations provides that to secure approval, a private foundation must demonstrate that:

- (i) Its grant procedure includes an objective and nondiscriminatory selection process;
- (ii) Such procedure is reasonably calculated to result in performance by grantees of the activities that the grants are intended to finance; and
- (iii) The foundation plans to obtain reports to determine whether the grantees performed activities that the grants are intended to finance.

Based on the information submitted and assuming your award programs will be conducted as proposed with a view to provide objectivity and nondiscrimination in making the awards, we have determined that your procedures for granting the awards comply with the requirements contained in section 4945(g) of the Code and that awards granted in accordance with such procedures will not constitute "taxable expenditures" within the meaning of section 4945(d)(3).

This determination is conditioned on the understanding that there will be no material change in the facts upon which it is based. It is further conditioned on the premise that no grants will be awarded to foundation managers, or members of the selection committee, or for a purpose that is inconsistent with the purpose described in section 170(c)(2)(B) of the Code.

The approval of your award program procedures herein constitutes a one-time approval of your system standards and procedures designed to result in awards which meet the requirements of section 4945(g)(1) of the Code. This determination only covers the grant programs described above. Thus, approval shall apply to subsequent award programs only as long as the standards and procedures under which they are conducted do not differ materially from those described in your request.

Any funds you distribute to individuals must be made on a true charitable basis in furtherance of the purposes for which you are organized. Therefore, you should maintain adequate records and case histories so that any or all award distributions can be substantiated upon request by the Internal Revenue Service.

This determination is directed only to the organization that requested it. Section 6110(k)(3) of the Code provides that it may not be used or cited as a precedent.

You must report any future changes in your grant making procedures. Please keep a copy of this letter in your permanent records.

We have sent a copy of this letter to your representative as indicated in your power of attorney.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,

Lois Lerner  
Director, Exempt Organizations

Enclosures:  
Notice 437  
Redacted copy of this Letter